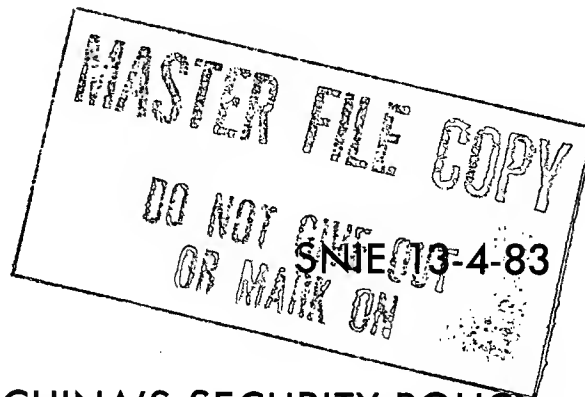


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CHINA'S SECURITY POLICY:
POLITICAL IMPLICATIONS OF
GROWING CAPABILITIES
FOR NUCLEAR CONFLICT

Information available as of 26 July 1983 was
used in the preparation of this Estimate.

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SCOPE NOTE

Over the past several years, Chinese leaders have changed tack in dealing with the United States and the Soviet Union while proclaiming their adherence to an "independent foreign policy." Their perception of the Soviet Union as the main threat to their security and of the United States as the only strategic counterweight to that threat has not changed. However, they now judge the Soviets to be more vulnerable at home and overextended abroad—as in Afghanistan. Moreover, their relations with the United States continue to be impaired by differences over Taiwan. Accordingly, the Chinese have made tactical adjustments in their policy. These adjustments have led them to probe Soviet willingness to reduce tensions and to distance themselves publicly from the United States.

Meanwhile, the Chinese are pressing ahead with the gradual, steady development of their strategic nuclear force begun in the mid-1960s. For example, they now have two intercontinental ballistic missiles capable of reaching targets throughout the United States and the Soviet Union and a sizable number of intermediate- and medium-range ballistic missiles. By 1987 they will probably have one operational missile-firing nuclear submarine. By 1993 we estimate a Chinese nuclear force of 10 to 20 full-range deployed ICBMs.

In the light of adjustments in Chinese foreign policy and taking account of the steady development of Chinese military forces, particularly strategic nuclear forces, this Special National Intelligence Estimate assesses China's long-run security policies and the political implications of these policies for the United States. Will future Chinese leaders change China's current security policies and orientation? What path will China's security policy follow over the next 10 years? And what role will strategic nuclear forces play in these policies?

This Special National Intelligence Estimate is intended to complement NIE 13-3/8-83, *Chinese Capabilities for Nuclear Conflict*. That NIE discusses China's nuclear capabilities and deployments; this SNIE on China's long-run security policy discusses political implications for the United States.

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KEY JUDGMENTS

What Kind of Long-Run Security Policy Will China Pursue Over the Next 10 Years? China in the next 10 years will continue to pursue a foreign policy that enhances its ability to maneuver between the two superpowers. But it will remain inhibited in attaining a significant capability for maneuver by the patently greater threat posed to it by the Soviet Union than by the United States. The size and quality of Soviet forces opposite China have continued to grow steadily during the past decade, supporting a Soviet military strategy designed to carry any future conflict quickly into Chinese territory. Barring any dramatic changes in relations, Soviet military capabilities probably will improve gradually through 1990.

Chinese leaders undoubtedly look forward to the time when China's modernization programs will permit it to deal as an equal with the superpowers. But they are realistic enough to recognize that, by the early 1990s, China will still be far behind in industrial production capability, advanced technology, and modern weapons:

- In the interim, China's leaders will probably be satisfied to have their country occupy a role analogous to that of France, relying on strategic nuclear forces to serve deterrence purposes rather than to constitute a ticket to the superpower club.
- In this situation, China will not in fact occupy a seat at the table with the superpowers, but China's voice will increasingly be a factor in international forums on some key issues such as arms control.

How Does China's Long-Run Security Policy Affect the United States? For a number of years, the Soviets have had to take account of China's nuclear retaliatory capability; since the deployment of China's CSS-4 intercontinental ballistic missile (1980-81), the United States has also had to take account of possible attacks on its own territory. Should the United States become engaged in combat with the Chinese (for example, in Korea or the Taiwan Strait), it could no longer threaten the use of nuclear weapons against China without taking into account the possibility of Chinese nuclear retaliation against targets in the United States.

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China's need for US trade, educational facilities, and technology, and its common interest with the United States in opposing Soviet expansionism, will continue to provide some basis for consultation on these and other matters of shared strategic concern. China will continue to take positions that diverge from the United States on a range of Third World issues, but may be more interested in coordination or collaboration on key regional problems where US and Chinese interests coincide:

- The technological gap between the West and China is unlikely to narrow any time soon. Thus at the end of 10 years China will still depend heavily on overseas training of its scientific and technical personnel and on importing technology, particularly from the United States.
- Moreover, China's relationship with the United States will afford it a degree of leverage in its dealings with the Soviet Union.

*What Nuclear Forces Will China Deploy Over the Decade?*¹

China has only one nuclear missile system capable of reaching the continental United States—the CSS-4. Two silos for this ICBM are operational and at least four additional silos are under construction, but they will not be operational before 1986. By 1993, however, China's nuclear forces will approximate the following:

- Ten to 20 full-range CSS-4 ICBMs capable of reaching all of the USSR and the United States, some possibly equipped with multiple reentry vehicles (MRVs).
- Some 20 CSS-3 limited-range ICBMs capable of reaching Moscow but only Alaska and Hawaii in the United States.
- Fifty to 90 CSS-2 intermediate-range ballistic missiles (IRBMs) capable of reaching the eastern USSR.
- Up to 30 new-generation solid-propellant IRBMs in that system's initial deployment.
- Three to five nuclear-powered ballistic missile submarines (SSBNs), each carrying 12 thermonuclear ballistic missiles with a range of about 2,400 kilometers.
- Some tactical nuclear weapons.

¹ This section draws on the conclusions of NIE 13-3/8-83, *Chinese Capabilities for Nuclear Conflict*.

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Since all of the CSS-2s are configured for mobile deployment, China will continue throughout the decade to rely on strategic warning to permit the dispersal of mobile missiles to survivable wartime launch positions.

Most if not all of China's strategic missile force will continue to be allocated to targets in the Soviet Union—Moscow being the primary one. China cannot be certain that Moscow's defenses could be penetrated. Nor could the Soviets ensure against penetration of Moscow's defenses by one or more of the Chinese missiles.

How Much Will China's Nuclear Forces Threaten the United States? China's security strategies over the next 10 years are unlikely to pose an appreciably increased military threat to US interests, despite the probable improvements in China's strategic and conventional military capability over this period. A substantial liberalization of US export controls on dual-use technologies would allow the Chinese to accelerate qualitatively their strategic weapons program during the next 10 years, but this would not markedly increase China's ability to threaten the United States strategically. The foremost concern for the Chinese will continue to be the improvement of their capability to deter or defeat a Soviet attack.

Although Chinese capability for nuclear retaliation will be greater in 10 years than it is today, and could wreak significant destruction, it will still be very modest relative to the nuclear capabilities of the superpowers.

How Will Possession of a More Formidable Nuclear Force Affect China's Policies Toward the USSR? The Chinese will continue to see the Soviet Union as the principal threat to China's security and to regard a strengthened nuclear force as the cheapest, quickest, and most efficient way of deterring Soviet nuclear attack and, to some extent, of deterring a large-scale conventional attack as well:

- The improvements in Chinese nuclear forces will not give China a credible offensive capability against the Soviet Union. China will continue to rely on a long-term war of attrition, counting on its nuclear capability to deter Soviet use of nuclear weapons.
- The Chinese will still be compelled to rely on a minimum retaliatory strategy against population centers, industrial targets, logistic centers, and rail and sea terminals linking Siberia with the western USSR.

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- China probably will improve its capability for tactical nuclear operations, which would give its leaders some new limited options when countering a Soviet invasion of China involving Soviet use of tactical nuclear weapons.
- China will continue to maintain sizable armed forces, capable of sustaining a long war of attrition, in order to deter Moscow from initiating a conflict.
- China will at the same time expand trade and cultural relations with the USSR and will attempt to normalize political relations on the basis of Soviet concessions on key issues. It will not, however, give in to Soviet demands.

Will Possession of a More Formidable Nuclear Force in Itself Cause Chinese Leaders To Pursue a More Reckless or Assertive Course in East Asia? The strengthening of China's nuclear capability will not in itself improve prospects of regaining sovereignty over Taiwan, and a conventional military attack on the island by Beijing's forces remains improbable. Beijing will, however, reserve the right to resort to conventional force and will maintain pressure on the United States to phase out weapons sales to Taiwan in the hope of convincing Taiwan leaders that they have no choice but to negotiate a settlement.

Increases in China's nuclear forces will not affect its support for the US-Japanese security treaty or its interest in stability on the Korean Peninsula. Nor will expected improvements in China's nuclear forces significantly increase the direct susceptibility of nonnuclear states to China's pressures. Whatever additional leverage China may have gained on such states by becoming a nuclear power it gained long ago when its successful testing and possession of nuclear devices and missiles became widely known. However, China's ability to threaten nuclear retaliation against the superpowers will have some impact on the nonnuclear Asian states seeking military aid from the superpowers.

What Arms Control Policies Will China Pursue? Given the great and continuing disparity between Chinese nuclear forces and those of the superpowers, the Chinese are unlikely to modify their position on force limitations and reductions. They will not agree to limit or reduce their own forces until the superpowers have agreed to reductions in their own:

- On the other hand, the Chinese will pay closer attention to arms control negotiations between the United States and the Soviet Union than they have in the past, particularly when, as

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in the case of the current negotiations on intermediate-range nuclear forces (INF), they fear that a US-Soviet agreement could result in increasing the nuclear threat to China.

- Accordingly, China—like Japan and South Korea—will feel increasingly threatened by Soviet INF deployments and will want the United States to persist in arms control proposals based on global limits.

How Important Is It to the Chinese To Avoid Major Warfare Over the Next Decade? For the remainder of this century the central aim of China's leaders will be the development of China's economy, and in particular its industrial base. Hence, these leaders recognize the need for a long period of freedom from external pressures and armed conflict. Thus they will rely heavily on diplomacy, foster their ties with Japan and Western Europe, cultivate relations with the Third World, and avoid high-risk strategies that would place them in sharp confrontation with a superpower.

Defense Minister Zhang Aiping has put forward certain principles which for the next decade probably will govern China's efforts to develop a modern, self-reliant defense industry:

- Base the strengthening of national defense on the vigorous development of the economy.
- Do not rely on purchasing weapons from abroad.
- Develop only the most important and urgently needed military equipment.
- Expand existing plants rather than construct new ones.
- Give high priority to the development of nuclear forces.

Despite serious weaknesses that will slow progress, the implementation of Zhang Aiping's proposals probably will significantly improve the industrial base for defense production by the early 1990s.

Nonetheless, shortages of funds and the technological backwardness of China's industrial plant and research and defense infrastructure will prevent across-the-board modernization of Chinese conventional forces within 10 years. Some of the most glaring deficiencies probably will be eased, however, notably in antitank and air defense, radar, mobility, and communications. Progress in improving air force capability will be slower than in that for the ground forces, because of the higher technology required.

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This Estimate is based on the judgments of NIE 13-10-82, *Political Succession in China*, which concluded that, although stable political succession from Deng Xiaoping to party Chairman Hu Yaobang and Premier Zhao Ziyang remains a somewhat fragile proposition, the chances favor a manageable succession and a continuance of pragmatic policies, both at home and abroad. If, alternatively, the succession does not proceed as planned and China is engulfed by fairly extensive political instability, then China could adopt a security policy far more inimical to US interests.

DISCUSSION

China's Past Security Policy

1. Chinese leaders for 100 years have aimed at strengthening their nation in order to end the humiliation inflicted by militarily stronger powers. Since coming to power the Communist leaders have sought to establish legitimacy by providing the Chinese people with security against foreign and domestic enemies. Their early concerns were directed mainly at the United States because of American rearming of forces on Taiwan pledged to recover the mainland, the advance of US forces to the Chinese border during the Korean War, and US threats to use nuclear weapons against China both during the Korean war and in the 1958 offshore island crisis.

2. During the 1950s and 1960s the Chinese saw their security further threatened by Soviet meddling in their domestic politics and by the large Soviet buildup in Siberia and along the common border. Next came clashes with the Soviets on the border, culminating in the 1969 Zhenbaodao (Ussuri River) conflict, in which the Soviets threatened to use nuclear weapons against China.

3. Since 1949 other Chinese goals have been to reestablish Chinese sovereignty over Taiwan, Hong Kong, and Macau; to win acceptance of Chinese boundary claims along the Soviet and Indian borders; and to gain control over the Diaoyutai Islands (also claimed by Japan) and the Spratly Islands (also claimed by Vietnam, the Philippines, Malaysia, and Taiwan). Other long-term goals have been to increase China's influence in Asia and the world to a level more reflective of Chinese perceptions of China's size and historical importance.

Past Policies and Strategies To Achieve Security Objectives

4. *Develop China Industrially and Militarily, Strengthen Self-Reliance.* This has been China's fundamental security strategy. Although the Chinese economy faltered badly during the Great Leap Forward and the Cultural Revolution, over the entire

period 1953-83 it achieved an annual growth rate of 5 to 6 percent, thus contributing to modestly building the industrial base needed for security policy.

5. *Promote Revolution.* The promotion of Communist-led revolution in Asia was an important early element in China's strategy. Friendly neighbors were to be ensured through seizure of power by Communist parties throughout the region. But it soon became evident that these Communist revolutionaries would not succeed, and China gradually shifted to cultivating relations with governments in power. The Chinese have reduced but not cut their ties with other Asian Communist parties, thereby keeping a means of exerting pressure on those governments. But, this has impaired China's efforts to improve relations with other Asian governments.

6. *Exploit the Superpowers.* In 1950, against a potential US-Japanese threat, Chinese leaders signed a defense treaty with the Soviet Union which brought China important benefits in weapons, industrial technology, and training of scientists and technicians. This relationship with the Soviet Union ultimately became intolerable because the Soviets demanded special privileges and interfered in domestic affairs. Also, the Chinese were disappointed with Soviet reluctance to back China's nuclear weapons program or to support China's confrontation with the United States over Taiwan. In 1960 the Chinese broke with the Soviets despite a continuing sense of threat from the United States.

7. During the 1960s China pursued a policy of hostility to both superpowers, which attained its greatest intensity during the Cultural Revolution.

8. During the 1970s, following the Soviet military buildup on the border and clashes with the Soviets on the border, China turned toward the United States, seeking diplomatic collaboration against Soviet expansionism, access to US technology, and training for Chinese scientists and engineers, as well as progress toward recovery of Taiwan. Because their experience with the Soviet Union had turned sour and they were

uncertain of long-term US intentions concerning Taiwan, the Chinese did not seek as close an embrace with Washington as they previously had with Moscow. They were determined to maintain a position that avoided close alignment with either superpower and showed confidence in being able to do so.

9. **Improve Defense Capability.** Since its acquisition of Soviet weapons in the 1950s, China has progressed slowly in modernizing its military forces. Nevertheless, against UN forces in Korea, against India in 1962, against South Vietnam in capturing the Paracel Islands in 1974, and against Vietnam in 1979, China demonstrated its determination and willingness to use military force along its borders.

10. Chinese Communist leaders decided in the first few years of their rule that China should have a nuclear capability and carried out their first nuclear test in 1964, less than five years after the Soviets withdrew their assistance. The small but growing Chinese strategic nuclear force presumably has had a significant deterrent effect on anyone considering a nuclear strike on China.

11. **Strengthen Ties With Neighboring States.** China's relations with its neighbors have been mixed. China has been most successful in establishing friendly relations with Japan, Pakistan, and North Korea. It fought a costly war against UN forces in order to ensure a friendly North Korean neighbor. China and Thailand were at odds for years because of China's backing of the Thai Communist Party and Thailand's close association with the United States during the Vietnam war. Since Vietnam's occupation of Kampuchea, however, the Chinese have ended active support for Thai insurgents. This has helped bring Bangkok and Beijing closer together. The other ASEAN governments—those of Malaysia, Singapore, the Philippines, and especially Indonesia—have maintained a cool attitude toward China, in part because of Chinese refusal to cut all ties with Communist insurgencies and movements in the area.

12. China's biggest failure occurred in Vietnam. After years of receiving substantial Chinese aid in the war against the United States, Vietnamese leaders allied their country with the Soviet Union. The border dispute with India, India's close relations with the Soviet Union, and China's support for Pakistan have limited improvements in relations with New Delhi. In

the Chinese view, the only serious neighboring military menace is the Soviet Union. India is perceived as unfriendly because of its ties with the USSR. Vietnam is viewed as unfriendly because, among other things, it represents a challenge for influence (dominance) in Southeast Asia.

13. **Mobilize International Political Opposition to China's Enemies.** While the Chinese have regarded their own military strength as the primary guarantee of China's security, they have attached great importance to mobilizing international political and diplomatic support for China. China's entry into the United Nations as well as its growing influence in Asia and the world have improved its capability to mobilize such support.

The Current Security Environment: Perceptions of External Threats

Continuing Superpower Rivalry

14. The Chinese see the world of the 1980s as dominated by superpower rivalry and an unchecked arms race. They anticipate a confused period, with gains and losses for each superpower, leading to a relative decline in the influence of both. Chinese rhetoric states that such circumstances favor the pursuit of a less aligned foreign policy, enabling China to keep its distance from either superpower. In actuality, however, as evidenced by China's strategic and conventional force deployment, Chinese leaders recognize that the principal threat comes from the Soviet Union. Moreover, the lengths to which they have gone to preserve the substance of relations with the United States in trade, training, and technology transfer, despite serious strains over the Taiwan issue, indicate the importance they attach to those relations. Accordingly, because China has chosen to define its interests in these terms, its freedom of maneuver between the superpowers will remain subject to serious constraints.

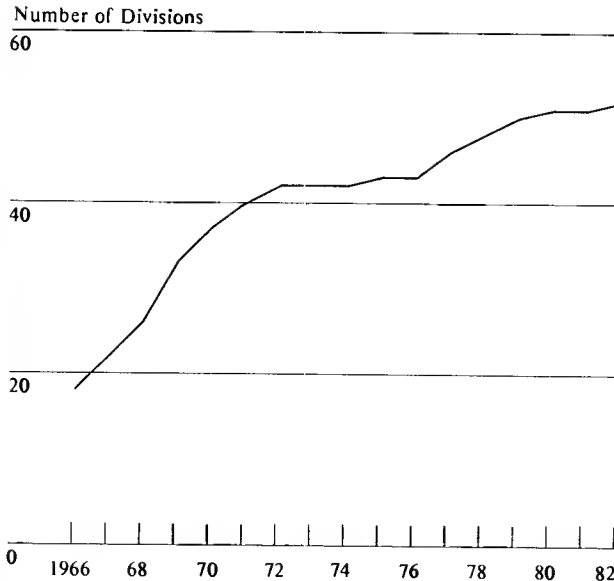
The United States: A Necessary Collaborator

15. Chinese leaders value their country's relationship with the United States for the contribution it makes to China's development and the leverage it gives them against the Soviet Union. No other relationship currently can take its place in view of China's development goals. US educational facilities and the potential US contribution to offshore oil production

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Soviet Active Divisions in the Far East



Note:

One division in the northeastern Soviet Union, two on Sakhalin Island, and the coastal defense division on the Kuril Islands are included in total figure but are not counted as opposite China.

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Major Combat Equipment of Soviet Ground Forces Opposite China

Number of Vehicles/Pieces

40,000

30,000

20,000

10,000

0

Tanks

Tube Artillery

Troop Carriers

0 1966 68 70 72 74 76 78 80 82

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and other major projects requiring advanced technology make the United States difficult to dispense with, despite Chinese frustration with bilateral irritants such as defections and limitations on technology transfer.

16. The Taiwan issue remains a thorn in the US-Chinese relationship. Chinese leaders want to keep the pressure on in order to ensure that the United States carries out the agreement of August 1982 on arms sales reduction. To a considerable extent they can control the tension and avoid raising it to a level that would be too damaging to Chinese interests in relations with the United States. But domestic politics, nationalistic emotions, and the involvement of a leader's "face" sometimes combine to create severe problems. Chinese leaders fear that the United States will be unable or unwilling to reduce or end its historical ties with Taiwan. This would either delay China's goal of reunification or foster a de facto "two Chinas" situation. Either of these would be directly counter to the long-range Chinese goal of unification.

The Continuing Soviet Threat

17. The Chinese see the Soviet Union as the principal threat to China's security because of the border disputes that have produced military clashes in the past and because of the strengthening of the already superior Soviet forces deployed in the vicinity of the border. (See charts.) Historical animosity also plays a significant role. (The Chinese, moreover, feel threatened by the continuing buildup of the Soviet Pacific Fleet.) Soviet domination of Afghanistan and close relations with India and Vietnam also add to the Chinese sense of being "encircled" and threatened. (See inset at top of next page.)

18. Sino-Soviet talks, while unlikely to alter the conditions seen by the Chinese as threatening, may moderate the sense of being menaced by establishing a more normal relationship between Moscow and Beijing, emphasizing increased trade and exchanges. Agreement on minor border adjustments or on some reduction of forces close to the border would contribute to a decline in tensions. It is unlikely that more substantial improvements in relations will occur during the period.

19. The Soviet alignments that cause the Chinese to feel encircled are unlikely to change fundamentally. The Soviets will continue to pay the price to retain the

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Soviet Force Buildup

The USSR began its recent round of political talks with China from a position of superior conventional and strategic military strength. The size and quality of Soviet forces opposite China have continued to grow steadily during the past decade, supporting a Soviet military strategy designed to carry any future conflict quickly into Chinese territory. Barring any dramatic change in relations, Soviet ground force manpower and equipment levels probably will grow gradually through 1990.

Since the late 1970s, the Soviets have constructed at least 20 SS-20 IRBM bases—each with facilities for nine launchers—capable of striking China. The number of launchers is greater than the earlier number of SS-4 MRBMs and SS-5 IRBMs deployed within range of China. The mobile SS-20, moreover, is highly survivable and has a MIRVed payload as well as greater accuracy, better reliability, and a shorter reaction time than did the older missiles.

geopolitical and military advantages they bring. With strains between the partners in these relationships likely to increase, China will be quick to try to exploit any opportunities that arise and thereby erode Soviet positions in Vietnam, India, Afghanistan, and North Korea.

Japan: The Chief Economic Partner

20. The Chinese view ambivalently the strengthening of Japan's armed forces. While they approve of a strong Japan to help check Soviet expansionism, their experience of Japanese invasion and their awareness of Japan's industrial power make them wary of a rapidly militarizing Japan. The small increase in Japan's military capability projected during the period of this Estimate, however, is unlikely to cause the Chinese serious concern that Japan might become a military threat.

21. The Chinese regard Japan as their principal economic partner, although they will wish to avoid becoming overly dependent on Japan. They realistically do not hope for formal military cooperation with Japan. Moreover, despite occasional criticism of Ja-

pan's gradual defense buildup, they will continue to rely on strong US-Japanese bilateral ties as the best guarantee against remilitarization, and as a counterweight to growing Soviet military power in Asia.

Turbulence in South Asia?

22. Even though China does not see India as a credible territorial threat, renewed armed conflict between India and Pakistan would nevertheless confront China with a dilemma, in light of its longstanding security relationship with Pakistan. Soviet capability to punish China would serve as a deterrent to intervention, but failure to act in defense of Pakistan would damage Beijing's prestige and influence. China probably would not directly intervene militarily but would seek to halt the conflict while aiding Pakistan in other ways.

The Chinese-Vietnamese Confrontation

23. China views Vietnam as its most immediate potential enemy after the USSR and as the principal rival to its own goal as leader in the area. There are 700,000 Vietnamese troops deployed near the Chinese border. These outnumber the Soviet ground forces deployed on China's northern border, but this Vietnamese threat remains a local one, not a strategic threat such as posed by the Soviet troops, aircraft, and nuclear missiles deployed against China. The Vietnamese forces, heavily reinforced after the 1979 Chinese incursion and equipped with \$2 billion worth of high-quality Soviet weapons, are deployed in a defensive mode around Hanoi and between Hanoi and the Chinese border. The Soviet-Vietnamese alliance creates the danger, however, that under some circumstances China might have to fight a two-front war.

24. The Chinese have kept pressure on Vietnam at a relatively low cost by supplying arms to the Kampuchean insurgent forces. By resuming Sino-Soviet negotiations they have also fostered doubts in the minds of Vietnamese leaders concerning the reliability of the Soviet connection. They also hope that the extraordinary economic burden of the Vietnamese military effort will produce further strains with the Soviet Union, a change in policy toward Kampuchea, and an improvement in Beijing-Hanoi relations.

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The Military Establishment—Problems and Achievements

Principles of Defense Modernization

25. Defense Minister Zhang Aiping, in an important article in the party's theoretical journal on 1 March 1983 (see inset), reaffirmed the basic principles cur-

- Give high priority to the development of nuclear weapons.
- Give full play to the role of intellectuals.
- Make good use of "the present relatively peaceful international surroundings" to strengthen national defense rapidly.

Excerpt From Zhang's Article

Our country is a big country and it is not realistic or possible for us to buy national defense modernization from abroad. . . . At the outset it is necessary to obtain some technology that can be imported and model some weaponry on that of others. . . . Modeling one's weaponry on that of others is not a way of realizing defense modernization either . . . only by developing—through self-reliance and in a realistic light—sophisticated military equipment that can be adapted to various conditions can we satisfy our Army's needs in its wars against aggression.

Defense Minister Zhang Aiping
1 March 1983

rently governing China's defense modernization program. These principles, which are likely to continue to be followed through the period of this Estimate, are:

- Base the strengthening of national defense on "the vigorous development of economic construction."
- Avoid excessive diversion of funds to military development, which would slow economic development.
- Increase the interaction between military industry and civilian industry—make each serve the other.
- Do not rely on the purchase of weapons from abroad.
- Develop only "the most important and most urgently needed military equipment."
- Emphasize the expansion of plants in the defense industry, rather than building new ones.

China's Military Modernization Program

- Professionalizing the People's Liberation Army:
 - Getting the military out of politics and internal security affairs.
- Improved training:
 - Joint exercises.
- Improved weapons, for example:
 - Type 69 tank, with improved capabilities (105-mm gun).
 - Antitank weapons, indigenously produced "Sagger."
 - Increased mechanization, self-propelled artillery, armored personnel carriers.
 - Air defense upgrade, indigenously produced SA-7 and CSA-X-2 (mobile SAM similar to Crotale and SA-6).

Impediments to Military Modernization

27. Severe impediments will slow progress toward modernization. These include: industrial technology 10 to 30 years behind the developed countries; shortages of scientists, engineers, and technicians; shortfalls in energy and transportation; a sluggish bureaucracy; inefficient management; a weakly motivated labor force; an elderly leadership; and a 10-year gap in the

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ranks of well-educated young leaders, caused by the poor quality, or total lack, of higher education during the Cultural Revolution. Weaknesses are serious in areas important to the defense industry, such as metallurgy, electronics, machine tools, precision instruments, and chemical production. Shortage of funds is an endemic problem which the government is attacking by reducing the size of the armed forces, sharply curtailing the production of obsolescent weapon systems, and beginning an arms sales program that brought in \$4 billion in contracts in 1981-82.

Concentration on Priority Areas

28. The Chinese demonstrated in the development of their strategic nuclear force that by concentrating scarce resources on a priority area they can make notable progress. The best scientists, engineers, and technicians and the most sophisticated equipment were assembled in this area. Priority funding, access to advanced foreign technology, strong political support, and insulation from the damaging effects of the Cultural Revolution have also contributed. This priority treatment will continue and probably will enable the quantitative development of strategic nuclear weapons to proceed more rapidly than most other military areas.

Need for Foreign Technology

29. While they stress self-reliance, the Chinese recognize the importance of "leading edge" foreign technology to modernize their defense industries. They are meeting this need by signing major scientific and technology agreements with most of the developed nations, by making direct purchases of some military equipment and technology, and by sending abroad hundreds of technical delegations and thousands of students and visiting scholars. Of the more than 13,000 students from China who are now abroad, some 11,000 are studying in the United States. Almost half of these were sponsored by the Beijing government, primarily in the physical sciences—physics and chemistry—and in engineering; the remaining half are privately sponsored by relatives, friends, and institutions outside China. Some 10 to 20 percent are estimated to have associations with military-related institutions in China.

30. The Chinese are selectively purchasing dual-use technology, some of which is known to have been put

to military use. Some dual-use technology fills key gaps in design and manufacturing processes; in other instances acquisition of technology is important for its symbolic value in demonstrating that China and its leaders are accepted on equal terms by the West and Japan. China also has a small but growing program to acquire advanced technology and technical data through covert means, particularly aimed at obtaining restricted US, West German, and Japanese technologies having direct military application.

31. The Chinese effort to acquire foreign technology holds a potential for sharply upgrading the domestic research and development effort. Nevertheless, inadequate R&D infrastructure, excessive compartmentation of military-related industrial activity, and quality-control problems with replicating foreign military industrial equipment will continue to make Chinese absorption of foreign technology a slow and gradual process.

China's Nuclear Force in 1993: A Growing Capability²

32. China has only one type of strategic missile system capable of reaching the continental United States, the CSS-4 intercontinental ballistic missile (ICBM). Two have been deployed and as many as four additional silos are under construction, which probably will not be operational before 1986.

the currently deployed CSS-4 missiles are targeted on Moscow. Some 10 to 20 are likely to be deployed by 1993; some of these could carry MRVs.

33. The CSS-3, which can reach only Alaska and Hawaii in the United States, is deployed in two silos. Eleven roll-out sites under construction probably will be completed during the 1980s. Some 20 could be deployed by the late 1980s. Additional deployments are not expected.

34. The bulk of the Chinese nuclear ballistic missile force consists of the medium-range CSS-1 (MRBM), with a 1,200-km range, first deployed in 1966, and the intermediate-range CSS-2 (IRBM), with a 2,800-km range, first deployed in 1971 and 1972. Both are mobile; neither is capable of targeting the western

² This section draws on the conclusions of NIE 13-3/8-83, *Chinese Capability for Nuclear Conflict*.

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USSR. The CSS-1 force is being reduced in number and replaced by CSS-2s. CSS-1s probably will be phased out by 1990. The CSS-2, with a design now 20 years old, probably will not be upgraded and the numbers deployed probably will level off by 1985. The Intelligence Community estimates that the number of these two types of missiles currently deployed is 60 to 115. The CSS-2 force probably will be supplemented by solid-propellant missiles beginning in the late 1980s or early 1990s, based on the submarine-launched ballistic missile (CSS-NX-3) that was successfully launched at sea in October 1982. By 1993 we expect China to have 120 to 220 nuclear ballistic missiles. Additionally, we estimate that China now has some 150 nuclear bombs and some 50 nuclear demolition munitions.

35. The 12-tube Xia-class nuclear-powered ballistic missile submarine (SSBN), designed to carry the CSS-NX-3 solid-fueled SLBM that was tested from a diesel-powered submarine in October 1982, began its sea tests early in 1983. It will probably become operational between 1984 and 1987. Its CSS-NX-3 missiles are expected to have a range of 2,400 km, and initially will pose a threat to targets in the eastern part of the Soviet Union.

[redacted] a total of four or five could be completed by 1993.

36. China's nuclear strategy throughout the period will continue to rely on warning to permit the dispersal of its mobile missiles to survivable wartime launch positions. Objectives and employment concepts will not fundamentally change; the characteristics of the delivery systems will force reliance on a minimum retaliatory strategy against population and industrial targets. Capability for tactical nuclear operations, although still extremely limited relative to those of the superpowers, will improve and provide Chinese leaders with some new options below the level of a strategic retaliatory attack.

37. China's strategic nuclear missile force today is very small and backward in its technology in comparison with those of the Soviet Union and the United States (see the table)

[redacted] The Chinese will focus their nuclear weapons development efforts mainly on improving the CSS-4, increasing reliability and readiness of their mobile MR/IRBM force, developing solid-propellant missiles, and developing tactical nuclear weapons.

38. By the end of the period, the Chinese strategic nuclear force will still be very small relative to the Soviet and US forces, and its technology will lag behind that of all four other nuclear missile powers. Nonetheless, US and Western export control policies will affect the pace of China's program. If the United States strictly limits the export of technologies related to nuclear weapons and their delivery systems, to electronic and antisubmarine warfare, and to intelligence gathering, the Chinese will make slower progress toward upgrading their current strategic nuclear forces. On the other hand, scrapping most US controls over export of the technologies described above, giving the Chinese access to dual-use computer and electronic technology roughly equivalent to that available to most non-Communist developing countries, would allow them to speed up somewhat the improvement of nuclear forces in this decade and to establish the industrial basis to introduce new generations of weapons in the late 1990s. China's capabilities would still not be in any sense comparable to those of other major missile powers because of limited ability to apply advanced technology to mass production of sophisticated military weapons.

39. Despite these limitations, however, the additions and improvements in the Chinese strategic missile force during this period, together with effective use by the Chinese of mobility, camouflage, and deception and the addition of some tactical nuclear weapons, will increase China's capability to retaliate against a nuclear attack and thus add to the deterrent value of the force. The deterrent effect is also heightened by the Soviet view of China as the most threatening of the third-country nuclear powers and the assumption in Moscow that the Soviet capital remains the target of highest priority for Chinese missiles. China cannot be certain that Moscow's defenses could be penetrated. Nor could the USSR ensure against the penetration of Moscow's defenses by one or more of the Chinese missiles.

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China and Potential Adversaries:
A Comparison of Strategic Nuclear Missile Forces, Midyear 1983

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China	Soviet Union
ICBMs	
4 (launchers) ^a	1,398 (launchers)
2 (warheads)	6,000 (warheads)
IRBMs/MRBMs	
60-115 (launchers)	591 (launchers)
60-115 (warheads)	1,300 (warheads)
SSBNs/SLBMs	
None ^c	62 submarines
	945 launchers
	1,550 warheads

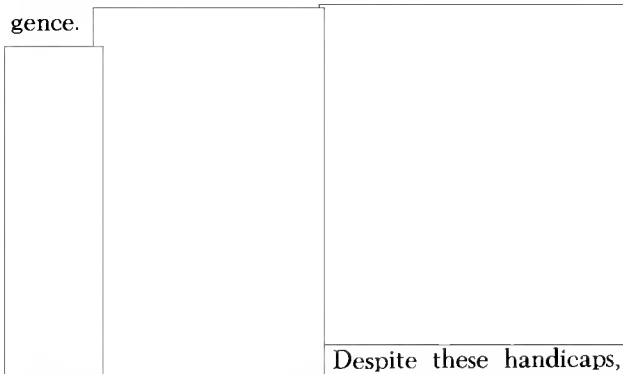
^a Includes two operational CSS-3s, limited-range ICBMs, capable of reaching all of the Soviet Union, but only the extreme northwestern United States.

^c One SSBN with 12 launchers is expected to be operational in the period 1984-87.

This table is Secret.

Modernization of Conventional Forces

40. Shortage of funds and the technological backwardness of China's industrial plant and R&D infrastructure will prevent an across-the-board modernization of Chinese armed forces during the period of this Estimate. Conventional forces probably will continue to receive lower priority in funding and personnel than nuclear strategic forces. The Chinese are making efforts to remedy some of the most glaring deficiencies, notably in modern aircraft, antitank and air defense, radar, mobility, communications, and intelligence.



Despite these handicaps, they have made some progress since 1974, developing a new 130-mm self-propelled multiple rocket launch-

er, antitank mines, tank laser rangefinders, and air-to-air missiles, and copying the Soviet AT-3 Sagger missile and the SA-7 low-altitude surface-to-air missile.

41. The outlook is for the Chinese to improve their defense capabilities slowly during this period, particularly by introducing antitank missiles, improved tanks, better tactical communications systems, and more vehicles. The Soviets will continue to have a substantial advantage in mobility and in modern equipment, but the Chinese probably will have somewhat narrowed the gap in ground defenses in certain respects. Progress in air force capability will be slower, because of the higher technology required, and here the gap will widen despite Chinese progress. If the United States were to scrap most controls on a range of dual-use, electronic technologies, the size of the gap would probably widen at a somewhat slower pace. The Chinese will not have acquired a credible offensive capability against the Soviets, but will have enhanced their capability to respond to a Soviet attack with a long-term war of attrition, provided the Soviets do not resort to nuclear weapons. By 1993, however, overall improvements in China's military-industrial complex will have created a basis for accelerating the modernization of conventional forces in the 1990s.

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Policies and Strategies for Exploiting Improved Nuclear Capabilities

The Search for Major Power Status: A Seat at the Table?

42. Chinese leaders, sensitive to not being taken seriously, look forward to the time when China will qualify for a seat at the table with the superpowers. But they are realistic enough to recognize that in the early 1990s China will still be far behind in industrial production capability, advanced technology, and modern weapons. In the interim, China may seek to occupy a role analogous to that of France. In this situation China would not in fact formally occupy a seat at the table but its tacit consent will increasingly be needed by those at the table on some key issues such as arms control.

43. The central theme of China's security strategy during the period of this Estimate will be one of a loose alignment with the United States that enhances its freedom of maneuver between the superpowers. In 1979-80, Chinese concern over Soviet expansionism in Afghanistan and Vietnam and euphoria over the normalization of Beijing-Washington relations combined to produce fairly close political alignment with the United States. By 1981-82, however, China had changed tactics. It sought to enhance its leverage with the United States without appearing allied. Though still more disposed toward the United States than toward the Soviet Union, China became more independent in rhetoric while remaining close in substance. This is likely to prevail for the next 10 years—barring a sudden, threatening advance of Soviet power, US moves perceived in Beijing as designed to make permanent the independence of Taiwan from China, or the onset of political instability in China.

Advancing Toward Security Goals

44. The achievement of China's security policy goals will depend heavily on internal stability during the leadership succession and the success of economic reforms in producing a respectable rate of economic growth—say, 5 to 6 percent during the period of this Estimate. Prospects for political stability and modest economic growth are fairly good.³ Thus, by the early

³ See NIE 13-10-82, *Political Succession in China*. The basic thrust of this Estimate is that, although the succession from Deng Xiaoping to Hu Yaobang and Zhao Ziyang remains a somewhat fragile proposition, the chances favor a manageable succession and a continuance of pragmatic policies, at home and abroad.

1990s, China probably will have acquired a greater capability to deter attacks on Chinese territory and to accelerate the modernization of its armed forces during the 1990s. Success in these respects will also enhance China's influence in the region and the world and give it a more substantial claim to a seat at the table with the superpowers.

Strengthening the Nuclear Deterrent

45. The Chinese continue to view a strengthened strategic nuclear force as the most effective method of deterring nuclear attack and to some extent a large-scale conventional attack also. They believe that the combination of their existing strategic nuclear force, their large, although ill-equipped Army, and their concept of "people's war" provides reasonable assurance of a fairly long period of peace during which they can modernize their industrial and technological base and thereby modernize their conventional forces while continuing to improve their strategic forces. They regard the "quick fix," such as Vietnam's acquisition of large amounts of advanced Soviet weapons, as an impracticable solution for a country the size of China. They see little choice but to follow the slower, and in the long run more dependable, course of building a self-reliant defense industry. If, however, China were suddenly to acquire sizable amounts of hard currency—unexpected oil reserves discovered and exploited—the purchase of some additional Western weaponry to offset Soviet numbers would become possible.

Countering Soviet Encirclement

46. The Soviet effort to encircle China, particularly through Soviet relations with India and Vietnam, is seen by Chinese leaders as increasing the risk of China's having to fight a two-front war. It is also viewed as impeding the achievement of China's security goals, which include surrounding itself with friendly neighbors, increasing China's regional and world influence, and recovering lost territories. Thus Beijing has resumed negotiations with the Soviets and the Indians, while maintaining firm ties with Pakistan and giving covert aid to the Afghan rebels. For the next 10 years, at least, diplomatic maneuver and cautious aid to certain opposition groups are likely to be important means of countering Soviet encirclement; maintaining extensive bilateral relations with the United States and Japan is another.

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Wrestling With the Vietnam Impasse

47. The Chinese see Soviet ties with Vietnam as the most serious security threat next to that posed by Soviet forces themselves. Vietnam's actions in Kampuchea further exacerbate Sino-Vietnamese relations. China has attempted to counter Vietnamese and Soviet activities in the area by low-level aid to the Kampuchean rebels and by diplomatic efforts, particularly in Southeast Asia. The Chinese will probably continue to avoid direct military action and rely on their aid and diplomacy to isolate Hanoi and Moscow internationally.

Maneuvering Within the Strategic Triangle

48. Assuming progress, even though slow and uneven, toward modernizing their industrial base and armed force, Chinese leaders will have increased confidence in their ability to conduct a more independent foreign policy. Ideally, they would like to maintain some degree of leverage over both Moscow and Washington. However, China's leaders view leverage as more a tool to help achieve security than an end in itself. They will be constrained, therefore, in attaining this ideal posture by the hard facts that the Soviet Union will pose the more serious threat to China's interests and that the United States will have more to offer in needed technology, training, and trade.

Fostering Ties With Japan and Western Europe

49. The Chinese will seek to improve their freedom of maneuver relative to the superpowers by strengthening links with Japan and Western Europe. Access to the technology, trade, and training available in these industrialized states will reduce, although by no means eliminate, China's dependence on the United States in these fields. That dependence could be totally eliminated in response to a sharpening confrontation over Taiwan, but only at the cost of significantly slowing China's development. Consequently, Chinese leaders will try hard to prevent damage to those parts of the bilateral relationship most important to China's development.

Cultivating the Third World

50. Emphasis on China's links with the Third World will continue to be more rhetorical than substantive, except with those few Third World countries

that can afford to buy substantial quantities of Chinese goods, especially Chinese weapons. Third World ties do not contribute directly to China's security, other than those with countries bordering on China, such as Pakistan, Burma, and North Korea, but are a potential source of support in international forums. China will continue to solicit Third World support in opposition to Soviet expansionism; in some situations Chinese policies will be parallel to those of the United States and in other places opposed. Chinese leaders will gauge gains and losses in China's weight in the world to some extent by their ability to mobilize Third World support for Chinese positions.

Recovering Hong Kong and Macau

51. The recovery of sovereignty over territories claimed by China but under control of others is unlikely to be accomplished during this period, except possibly for Hong Kong and Macau.

Implications for the United States of China's Future Security Policies

52. The security policies likely to be followed by China over the next 10 years do not pose an appreciably increased military threat to US interests, despite the improvements in China's strategic nuclear and conventional military capability likely during this period. This judgment holds even if US export controls are substantially liberalized to provide dual-use technology related to the strategic areas of nuclear weapons and their delivery systems, electronic and antisubmarine warfare, and intelligence gathering. The Chinese will continue to be concerned primarily with improving their capability to deter or defeat a Soviet attack and to resist further encirclement or consolidation of Moscow's position on China's borders. Many factors inhibit them from using military force outside China, even to recover territory claimed by them but controlled by others. However, if our assumption concerning leadership succession or internal stability were to change, we could not rule out a more aggressive Chinese foreign policy.

Chinese Nuclear Force Improvements and the Superpowers

53. For a number of years the Soviets have taken account of Chinese nuclear retaliatory capability

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against the USSR; since the deployment of the CSS-4, the United States has had to consider the Chinese threat to the continental United States as well as to US bases in Asia. Should the United States become engaged in combat with Chinese forces (for example, in Korea or the Taiwan Strait), it could no longer threaten the use of nuclear weapons against China without taking into account the possibility of Chinese nuclear retaliation against targets in the United States. Within 10 years, Chinese capability to retaliate will be somewhat greater than it is today, although still small relative to the nuclear capabilities of the superpowers.

54. Because of the great disparity between Chinese nuclear forces and those of the superpowers that will continue to exist for the next 10 years, the Chinese will not brandish their weapons against either of the superpowers. On the contrary, they will continue to declare that they will not be the first to use nuclear weapons and will continue to call for the abolition of those weapons (confident that the superpowers will not agree).

Effect of China's Nuclear Forces on Nonnuclear States

55. Improvements in China's strategic nuclear force will not significantly increase the susceptibility of nonnuclear states to Chinese pressures. Whatever additional leverage China may have gained on such states by becoming a nuclear power it gained long ago when successful testing and possession of nuclear devices and missiles became widely known. Soviets and Americans have discovered the difficulty of translating nuclear weapons capability into political advantage, and the difficulty is even greater for a weak nuclear power like China. Increases in its strategic nuclear forces will, however, have other effects. States that fear China's military power (such as India or Vietnam) will continue to feel a compulsion to pay the price of protection by a superpower. Increases in China's nuclear retaliatory capability will also tend to weaken confidence in the willingness of a superpower to risk retaliation against its own territory in order to protect an ally.

Maneuvering Between the Superpowers

56. Even though the disparity between China and the superpowers will remain great in both strategic

and conventional weapons, 10 years of political stability and economic progress would give the Chinese leaders greater confidence that their goal of a self-reliant defense production capability is attainable. Increased self-confidence, while not significantly increasing the leaders' propensity to risk large-scale military conflict, would encourage in them the determination to try to maximize their freedom of maneuver in dealing with the two superpowers. Thus, China probably will continue to adopt foreign policy positions that diverge from the United States on a range of Third World issues, while cooperating or consulting where US and Chinese interests coincide.

57. For many reasons Chinese leaders will wish to avoid too close a strategic alignment with the United States. Chinese leaders have a growing confidence in their ability to deter armed conflict, a belief that Soviet internal problems and external entanglements reduce the threat to China, hopes for negotiating a lowering of tension with the Soviet Union, differences with the United States over several important issues (notably Taiwan), and a desire to burnish China's credentials with the Third World. Nevertheless, China's view of the Soviet Union as the chief threat, its need for US trade, technology, and training, and its interest in common with the United States in opposing Soviet expansionism, especially in Afghanistan and Vietnam, will provide a basis, albeit limited, for strategic collaboration with the United States in the form of consultation on strategic questions and parallel foreign policy actions. Some improvement in US-Soviet relations would give the Chinese greater incentive to seek strategic collaboration with the United States than exists today. The Chinese desire to avoid an overly close alignment with the United States is likely to persist throughout the period, in the absence of some new, threatening move by the Soviet Union.

Persisting Need for Access to Western Technology

58. Even if China remains politically stable and pursues a policy of seeking to expand its access to trade, training, and technology from the advanced industrialized countries, it is unlikely to narrow the technological gap, for technological change will continue at a rapid pace in the West. China will continue to have difficulty absorbing new technology into the Chinese military-industrial system except in high-priority areas such as nuclear weapons. Ten years from

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now China's dependence on training personnel overseas and importing technology from abroad will still be very great. Consequently, China will continue to be inhibited from taking foreign policy actions that would impair its access to foreign technology. These inhibitions will generally work in the US interest.

China and Arms Control

59. The disparity between China's small nuclear force and those of the superpowers offers little incentive to the Chinese to enter into arms control negotiations. China also lacks the technical capability to observe and closely monitor nuclear missile developments in the United States and the Soviet Union. Nonetheless, the Chinese will pay closer attention to arms control negotiations between the United States and the Soviet Union than they have in the past. In the case of the current negotiations on intermediate-range nuclear forces (INF), they fear that a US-Soviet agreement could result in increasing the nuclear threat to China. Accordingly, over the next decade the Chinese may participate in arms control talks provided these talks are expanded beyond the confines of the superpower club. China—and Japan and Korea—will increasingly feel threatened by Soviet INF deployments and will want the United States to persist in arms control proposals based on global limits.⁴

Effects on Asian States Friendly to the United States

60. *Hong Kong and Taiwan.* The Chinese probably will reach agreement with the British during this period on the recovery of sovereignty over Hong Kong, although the actual exercise of their sovereignty probably will not occur until 1997 when the British lease on the New Territories expires. Hong Kong and Macau probably are the only "lost territories" that will be recovered during this period, except for possible

minor adjustments in the Sino-Soviet border; their "recovery" will not require the threat or use of force. The manner of their "recovery" will be closely watched in Taiwan.

61. The strengthening of China's strategic nuclear capability will not significantly improve prospects of recovering sovereignty over Taiwan, for nuclear weapons are not practicable instruments for Chinese leaders to use for that purpose. The strengthening of conventional forces over the next 10 years, however, probably will somewhat widen the edge that mainland forces have today over Taiwan forces. Beijing will reserve the option of using military force against Taiwan as a form of political pressure, but is most unlikely to resort to it. The military costs would be high, the physical damage to Taiwan's infrastructure and industry would be severe, and the political and resource burden of a subdued but recalcitrant population would be great. A military attack on Taiwan would also gravely damage Beijing's relations with Washington and Tokyo. Beijing can be expected to maintain pressure on the United States to reduce and eventually phase out weapons sales to Taiwan, in the hope of convincing Taiwan's leaders that they have no choice but to negotiate a settlement.

62. *Japan and Korea.* The increase in China's military power will not significantly affect the Chinese position with respect to the US-Japanese security treaty or the Korean Peninsula. The Chinese will continue to regard the security arrangements between Japan and the United States as an important counter to the Soviet military buildup in East Asia and as a check on Japan going it alone. They will also prefer stability on the Korean Peninsula to renewed conflict there, which could pose excruciatingly difficult choices for them. Conflict in Korea would disrupt the peaceful environment so important to China's development and seriously damage its essential relations with Japan and the United States.

⁴ See NIE 13-3/8-83.

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ANNEX A

INDICATORS THROUGH 1993

Indicators that would support the findings of this Special Estimate are:

- Gradual, steady development of nuclear forces.
- Continuing hostility between China and the USSR.
- A stable succession from Deng Xiaoping to Hu Yaobang and Zhao Ziyang.
- Continuation of policies supporting the open door to the West.

Indicators that would cast doubt on those findings are:

- Significant political instability in China.
- Rapid improvement in Chinese-Soviet relations.
- Substantial retrogression in US-Chinese relations.
- Marked increases in funds for military modernization.
- Hostile military action toward Taiwan.

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